

September 23, 2016

Document Control Office (7407M)
Office of Pollution Prevention and Toxics (OPPT)
Environmental Protection Agency (EPA)
1200 Pennsylvania Avenue, NW
Washington, DC 20460-0001

**RE: Supplemental Comments on Fees for the Administration of the Toxic
Substances Control Act; Docket ID: EPA-HQ-OPPT-2016-0401**

Dear Document Control Officer:

The Society of Chemical Manufacturers & Affiliates (SOCMA) appreciates the Agency's extension of the comment period on the subject of the new fee structure for the administration of the Toxic Substances Control Act (TSCA). Given that over 70% of SOCMA's active members are small businesses we are particularly interested in providing additional input.

As EPA continues to implement the new TSCA, small businesses will be particularly impacted by increased regulatory burden. Smaller manufacturers who submit new chemical notices now have an increased likelihood of facing regulatory action in the form of SNURs or consent orders, and therefore increased costs associated with getting a chemical to market. It also appears that the time it will take to get a new chemical to market – even if the Agency makes a “not likely” finding – will still be longer than it has been traditionally. Manufacturers also face the specter of increased costs associated with keeping an existing chemical in the marketplace. Furthermore, manufacturers who depend on protection of Confidential Business Information (CBI) will be required to periodically review and substantiate their claims. As a fundamental principle, amended TSCA should be implemented in a way that protects small business and keeps the US in the forefront of new and innovative chemistries. It would be very troubling if small businesses – the principal engines of chemical innovation – have to pull out of the market as a result of increased burdens.

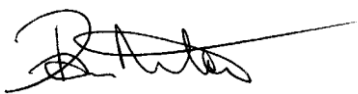
SOCMA offers the following points for the agency to consider as it continues to develop a rule:

- 1) SOCMA supports the use of the Producer Price Index, rather than the Consumer Price Index, to adjust the threshold for what constitutes a “small business concern” for fee purposes. The PPI more closely tracks the types of goods and services that chemical companies have to purchase. We support the small business cutoff being based on revenue, although SOCMA is open to exploring additional criteria, such as number of employees.
- 2) The differential between the regular PMN fee and the small business fee is 25x. SOCMA supports maintaining this differential as a way of continuing to promote introduction of

new chemicals by smaller manufacturers.

- 3) There is increased pressure on companies subject to actions under Sections 5 and 6 to generate \$25 million. SOCMA is therefore open to some nominal fees being associated with section 4 submissions.
- 4) SOCMA is open to the idea of EPA requiring some processors to report under the inventory reset rule. We believe this would give the agency more information about who may be available to pay Section 6 fees, and thus take some of the burden off of manufacturers. The agency might also consider more targeted reporting requirements on processors via a Preliminary Assessment and Information Rule (PAIR), or the like, if more information is needed on particular chemicals being reviewed.

Sincerely,



Dan Newton
Senior Manager, Government Relations